



CITY OF YELLOWKNIFE

## GOVERNANCE AND PRIORITIES COMMITTEE REPORT

**Monday, January 8, 2024 at 12:05 p.m.**

Report of a meeting held on Monday, January 8 2024 at 12:05 p.m. in the City Hall Council Chamber.  
The following Committee members were in attendance:

Chair: Mayor R. Alty,  
Councillor S. Arden-Smith,  
Councillor G. Cochrane,  
Councillor R. Fequet,  
Councillor B. Hendriksen,  
Councillor C. McGurk,  
Councillor T. McLennan,  
Councillor S. Payne, and  
Councillor R. Warburton.

The following members of Administration staff were in attendance:

S. Bassi-Kellett,  
C. Caljouw,  
C. Greencorn,  
C. MacLean,  
K. Pandoo,  
K. Thistle,  
L. Vass,  
C. White,  
G. White, and  
B. Ly.

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<u>Item</u>	<u>Description</u>
1.	(For Information Only) Mayor Alty read the Opening Statement.
2.	(For Information Only) There were no disclosures of conflict of interest.

- (For Information Only)
3. Committee heard a presentation regarding Development Incentives By-law Update.
- (For Information Only)
4. Committee accepted for information a memorandum regarding 2023 Third Quarter Forecast and Variance Report.

Committee noted that the 2023 Third Quarter Forecast and Variance Report identifies revenues and expenses that were expected to be above the 2023 budgeted amounts, based on information available as at September 30, 2023. The Forecast and Variance Report is prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") and whereby capital expenditures are shown differently than on the City's annual budget report. Please see Appendix A for further information.

According to the Forecast and Variance analysis, total revenues were expected to be \$2.339 million higher than budget, while total expenses were estimated to be \$3.651 million higher than budget. As a result, the projected "*annual surplus*" was anticipated to be \$18.901 million, which was \$1.312 million, lower than budget. This excess of revenues over expenses shows whether the revenues raised in the year were sufficient to cover the year's costs and do not necessarily mean that extra money is available to spend. In fact, a positive balance ensures that the City is able to provide future services to its residents and businesses.

A yearly accumulation of positive balances on the Statement of Operations, combined with an overall increase in the value of assets it owns (net financial and non-financial), and its reserves, shows the increase in the total net worth of the municipal corporation.

On the other hand, successive yearly negative balances on the Statement of Operations will create an 'erosion' of value and might strain our activities and jeopardize our financial health if it becomes unmanageable.

Table 2: Statement of Operations

Statement of Operations	2023 Actuals to September (\$000's)	2023 Budget	2023 Forecast (\$000's)	2023 Variance (\$000's)	2023 Variance %
<b>Revenues</b>					
Municipal taxation	35,839	35,735	35,760	25	0%
User fees and sale of goods	16,676	24,179	23,313	-866	-4%
Land sales	2,932	1,958	2,700	742	38%
Grants and transfers	35	998	6,574	5,576	559%
Government transfers related to capital	18,181	44,040	36,223	-7,816	-18%
Investment income	4,548	1,180	5,320	4,140	351%
Fines, penalties and cost of taxes	670	948	702	-247	-26%

Development levies, licenses and permits	1,577	1,096	1,816	720	66%
Franchise fees	1,146	1,081	1,146	65	6%
<b>Total Revenues</b>	<b>81,603</b>	<b>111,216</b>	<b>113,555</b>	<b>2,339</b>	<b>2%</b>
<b>Expenses</b>					
Amortization of tangible assets	15,221	15,221	15,221	0	0%
Provision for allowance	13	210	200	-10	-5%
Bank charges and short-term interest	148	263	243	-20	-8%
Materials and supplies	576	1,490	1,443	-47	-3%
Contracted and general services	16,475	20,007	31,428	11,421	57%
Insurance	726	901	896	-5	-1%
Interest on long-term debt	733	694	694	0	0%
Mayor and council expenses	482	705	651	-54	-8%
Salaries, wages, employee benefits and unfunded liabilities	20,528	34,297	31,692	-2,606	-8%
Utilities - electricity	2,333	3,013	2,997	-16	-1%
Utilities - fuel	896	1,987	1,694	-293	-15%
Landfill Closure costs (recovery)	0	1,373	683	-690	-50%
Minor capital expense	0	10,841	6,812	-4,029	-37%
<b>Total Expenses</b>	<b>58,131</b>	<b>91,003</b>	<b>94,654</b>	<b>3,651</b>	<b>4%</b>
<b>Annual surplus (deficit)</b>	<b>23,473</b>	<b>20,213</b>	<b>18,901</b>	<b>-1,312</b>	<b>-6%</b>

Explanation of revenue variances:

- User fees and sale of goods were projected to be lower than budget as recreation facilities were closed for around nine and a half weeks during the year due to the labour dispute and the wildfire evacuation. This resulted in lower facility rentals and a decrease in program registrations. In addition, because of staff shortages at certain facilities (e.g pool), shortened program schedules were ran during the fall season. Moreover, services ambulance calls and public transit revenues were also lower than anticipated.
- Land sales were higher than the budget as a more lots were sold.
- Grants & transfers were projected to be higher than budget mainly due to the recovery of wildfire costs and receipt of additional grants to offset operating costs at the Visitor Centre and update the Aurora Alert system and kiosks.
- Government transfers related to capital expenses were expected to be lower due to construction delays and facility closures caused by a shortage of contractors and the wildfire evacuation.
- Investment income was influenced by high interest rates prevailing during the year. The bank account also showed a higher cash balance than usual because of deferred revenue (funding received for capital projects not yet completed/spent).
- Fines, penalties, licences, and permits were expected to be lower than the budget as a result of the cancellation of tax and utility penalties and a lower number of parking fines and traffic violations.
- Development permits were higher than the budgeted amount mainly due to two large projects obtaining their permits.

Explanation of expense variances:

- Material and supplies were influenced downward by the work stoppage in February and March as well as the August wildfire evacuation.
- Contracted costs were projected to be higher than budget mainly due to the unanticipated costs of the wildfire protection measures (\$10.7m), expenses associated with increased land sales (\$380K) and continuing support programs for businesses using remaining COVID funding (\$260K).
- Salaries, wages and benefits were anticipated to be lower than the budget, as a consequence of vacancies.

Landfill closure costs were planned to be below budget with the implementation of the Asset Retirement Obligation. As a reminder, with the additional work undertaken at the solid waste facility, it was determined that the life of the site has been extended and hence a lower amount than previously recorded was needed to be set aside towards closure and post-closure costs.

- Utility costs for electricity and fuel were trending to be under budget.
- Minor capital was calculated based on 15% of the 2023 capital budget and will vary based on actuals at year-end.

The City's annual surplus was expected to be \$1.312 million under budget and is attributable as follows:

**Favourable Variances:**

- Increased revenues from operating grant transfers, investment income, land sales, development and recoveries, franchise fees and property taxes were \$11.268 million.
- Reduced costs due to staff vacancies, lower landfill closure costs, lower utility – fuel costs, lower estimated minor capital costs, and other expenses were \$7.770 million.

- **Unfavourable Variances**

- Decreased revenues due to facility closures reduced emergency service ambulance calls, cancellation of tax and utility penalties, and reduced public transit revenue were \$8.929 million.
- Increased costs for contracted services related to the wildfire evacuation, higher cost of land sold due to the increased number of lots sold, continuing support programs for businesses using remaining COVID funding were \$11.421 million.

Below is a summary of the City's capital projects forecast which is based on the best information available as at September 30, 2023. The total budget for projects was \$103.206 million, which included carryforwards of \$35.321 million from 2022. Overall, capital spending is likely to be \$57.794 million under budget. The estimated carry forward to 2024 is \$57,048 million.



Capital Forecast for Period Ending September 30, 2023

Capital Project	Actuals to September 30	2023 Capital Budget	Forecast	Variance	Notes
Information Technology Infrastructure Renewal	177,274.00	337,000.00	300,000.00	37,000.00	Some projects will be continuing in 2024 due to delays related to 2023 labour issues and the wildfire evacuation. Carry forward \$37K.
Budget Management		24,800.00	24,800.00		
Development & Building Permit Automation	17,273.00	72,787.00	72,787.00		
Wireless Infrastructure	19,429.00	20,394.00	19,429.00	965.00	Project complete. Release remaining funds.
Webcasting	108,392.00	111,449.00	108,392.00	3,057.00	Project complete. Release remaining funds.
Asset Management -Projects	61,849.00	773,983.00	340,000.00	433,983.00	Variance due to staffing vacancies. Staff recruitment has been completed (as of October 2023) and ongoing projects will continue into 2024 in line with the established Asset Management Road map. Carry forward \$434K.
Accessibility Audit/Implementation	792,717.00	1,705,428.00	1,400,000.00	305,428.00	Projects continuing in 2024. Carry forward \$305K.
Arbour Development Study	2,307.00	45,094.00	5,000.00	40,094.00	Project continuing in 2024. Carry forward \$40K.
CS Land Fund Capital Projects	-	1,900,000.00	300,000.00	1,600,000.00	The Niven Ravine Lake Multi-Use Trail was cleared as a firebreak during the wildfire. It was upgraded for safety reasons. Carry forward \$550K for remaining work and reallocate the remaining \$1.050 million to other land fund projects.
Park Equipment Replacement	289,898.00	344,302.00	344,302.00		
Trail Development		210,000.00		210,000.00	The budgeted Rotary Range Lake Trail Partnership project was delayed due to the wildfire. Carry forward \$210K to 2024.
Park Development		165,000.00	43,000.00	122,000.00	Hall Crescent work will be completed in 2024. Carry forward \$122K for schedule work for Fritz Theil Ballpark safety fence.



Capital Project	Actuals to September 30	2023 Capital Budget	Forecast	Variance	Notes
Aquatic Centre	19,028,677.00	57,387,513.00	27,028,259.00	30,359,254.00	Project continuing in 2024. Carry forward \$30.3 million.
RIMP Building Structural Assessment	2,480.00	75,000.00	2,480.00	72,520.00	Project awarded and continuing into 2024. Carry forward \$73K.
Curling Club Upgrades	56,380.00	765,000.00	615,000.00	150,000.00	Contract awarded for brine line replacement. Project will be completed in 2024. Carry forward \$150K.
City Hall Upgrades		174,618.00	-	174,618.00	Carry forward to cover some deficiencies on the City Hall Stairs.
Fieldhouse Floor Cover		405,000.00	100,000.00	305,000.00	Indoor playground flooring replaced. Indoor turf work will be completed in 2024. Carry forward \$305K.
Land Fund Capital Projects	521,346.00	4,456,054.00	1,500,000.00	2,956,054.00	Work in Engle is over budget and ongoing due to wildfire pause. Carry forward required to complete in 2024. Remaining money to be carried forward and used for other land fund projects while reducing the amount budgeted for 2024.
Land Surveying (Commissioners)		625,000.00	600,000.00	25,000	For surveying once MOA and land transfer complete.
Fire Hall Equipment		95,000.00	95,000.00		
Fire Hall Expansion/ Renovation		4,981,134.00	566,199.00	4,414,935.00	Consultant is working to deliver Class A estimate, fee breakdown, detailed design and specifications. 2024 is still the target date for commencing project. Carry forward \$4.415 million.
CEP Community Outreach		32,243.00		32,243.00	Project continuing in 2024. Carry forward \$32K.
CEP Waste Strategic Plan		38,711.00		38,711.00	Revisions and update to the 2018 Solid Waste Master Plan will be completed in 2024. Carry forward \$39K to 2024.
Sustainability Coordinator	79.00	27,717.00		27,717.00	Position moved to Planning. Remaining funds not required.



Capital Project	Actuals to September 30	2023 Capital Budget	Forecast	Variance	Notes
SWMP Implementation		90,421.00		90,421.00	Solid Waste Master Plan work continuing in 2024. Carry forward \$90K.
CEP Interior LED Lighting	29,233.00	154,060.00	29,233.00	124,827.00	Project continuing in 2024. Carry forward \$125K.
Water Treatment Plant Pellet Boiler	101,107.00	150,500.00	101,107.00	49,393.00	Project design work complete. Additional funding is required to move the project forward. Carry forward \$49K.
Fleet Management	983,065.00	3,917,501.00	3,917,501.00		
Public Transit Review	9,126.00	-	9,126.00	(9,126.00)	Overage will be covered by formula funding.
Traffic Lights Video Detection Equipment	34,989.00	98,236.00	35,000.00	63,236.00	Project continuing in 2024. Carry forward \$63K
Patching Program		329,536.00	329,536.00		
Paving Program	28,846.00	6,512,500.00	3,540,788.00	2,971,712.00	The total paving for 2023 is \$4.65 million. ICIP funding will cover \$1.109 million (Paving Program - ICIP). Carry forward \$2.971 million to complete Taylor Road and Hordal projects in 2024.
Paving Program - ICIP	2,953,466.00	1,109,212.00	1,109,212.00		The total paving for 2023 is \$4.65 million. ICIP funding will cover \$1.109 million (Paving Program - ICIP). Carry forward \$2.971 million to complete Taylor Road and Hordal projects in 2024.
New Landfill/ Landfill Expansion	19,006.00	322,678.00	35,000.00	287,678.00	New cell design work will be continuing in 2024. Carry forward \$288K.
Transfer Station & Cell Access Improvement		98,905.00		98,905.00	The remaining amount of \$99K is not required. Release.
Baling Facility- Mechanical Upgrades	710.00	7,521.00	1,000.00	6,521.00	
Landfill Leachate Retention & Treatment		430,000.00		430,000.00	Work planned for 2024 requires \$250K. Remaining amount of \$180K can be released.



Capital Project	Actuals to September 30	2023 Capital Budget	Forecast	Variance	Notes
Water Licence - Solid Waste Mgt		50,000.00		50,000.00	Project delay and will proceed in 2024. Carry forward \$50K.
Mobile Steam Boiler	1,121.00		1,121.00	(1,121.00)	Wrong code. Will be reallocated to correct code.
Pumphouse & Liftstation Upgrades		9,754.00		9,754.00	Contractors not available in 2023. Work will continue in 2024. Carry forward \$10K.
PH#4 Water Truck fill Safety Project	7,161.00	251,256.00	7,161.00	244,095.00	Project no longer needed; alternative solution found. Release funding \$237K.
PHs- New Piping	13,845.00		13,845.00	(13,845.00)	Under review by finance. May need to be coded to the operating budget.
Fire Hydrant Upgrading	81.00		81.00	(81.00)	Under review by finance. May need to be coded to the operating budget.
Backup Power Lift station Generator Install		130,754.00		130,754.00	Work planned for 2024. Carry forward \$131K.
Lift Station #1 Replacement	277,521.00	3,469,820.00	400,000.00	3,069,820.00	Design and specifications continuing in 2024. Carry forward \$3.070 million.
Sewage Force Main Twinning		950,007.00		950,007.00	Project solution difficult to resolve. A follow-up discussion will occur with the regulator. Release funds \$950K. A new budget request will be submitted if required.
Lagoon Control Structure Replacement	3,926.00	876,537.00	50,000.0p0	826,537.00	Work will continue in 2024. Carry forward \$827K.
Wetland and GSL Monitoring	96,891.00		96,891.00	(96,891.00)	This project is part of the Fiddler's Lake Treatment System Project and is being tracked separately for reporting purposes. The Fiddler's Lake will fund this expense.
Lagoon Sludge Removal	10,587.00	5,027,928.00	10,587.00	5,017,341.00	Work will continue in 2024. Carry forward \$5.017 million. Total project budget expected to be \$15.0 million.



Capital Project	Actuals to September 30	2023 Capital Budget	Forecast	Variance	Notes
Fiddler's Lake Treatment System Projects	2,263.00	400,000.00	20,000.00	380,000.00	The Fiddler's Lake Treatment System Project includes the Wetland and GSL Modeling project which are being tracked separately for reporting purposes. A portion of the Fiddler's Lake Treatment System will fund the Wetland and GSL Modeling project. Work will continue in 2024. Carry forward \$283K.
Water & Sewer Infrastructure Replacement	333,613.00	52,938.00	340,000.00	(287,062.00)	Wrong code. Will be reallocated to correct code.
Water & Sewer Replacement - PAVING		108,908.00		108,908.00	
W&S Federal Funded - PAVING - ICIP		125,636.00	100,000.00	25,636.00	
Submarine Line Contracted Costs	1,140,204.00	3,758,185.00	1,800,000.00	1,958,185.00	Project management, regulatory and design costs proceeding. Project continuing in 2024. Carry forward \$1.958 million.
	<b>27,465,905.00</b>	<b>103,206,020.00</b>	<b>45,411,837.00</b>	<b>57,794,183.00</b>	



Committee noted that Council's policies, resolutions or goals include:

**Strategic Direction #2: Service Excellence**

Focus Area 2.2

Capacity

Balancing service levels with human and fiscal resources.

Committee noted that applicable legislation, by-laws, studies or plans include:

1. *Cities, Towns and Villages Act, S.N.W.T. 2003, c.22 (CTV Act); and*
2. *Council Motion #204-19, City of Yellowknife Budget Policy.*

(For Information Only)

5. Councillor McGurk left the meeting at 12:55 p.m.

(For Information Only)

6. Councillor Arden-Smith left the meeting at 1:00 p.m.

(For Information Only)

7. Committee accepted for information a memorandum regarding Minutes of the Community Advisory Board on Homelessness meeting of December 5, 2023.

(For Information Only)

8. Councillor Fequet moved,  
Councillor Cochrane seconded,

That Committee move in camera at 1:25 p.m. to discuss a memorandum regarding whether to appoint members to serve on the Mayor's Task Force on Economic Development and amend the Terms of Reference.

MOTION CARRIED UNANIMOUSLY

(For Information Only)

9. Committee discussed a memorandum regarding whether to appoint members to serve on the Mayor's Task Force on Economic Development and amend the Terms of Reference.

(For Information Only)

10. Councillor Warburton moved,  
Councillor McLennan seconded,

That Committee return to an open meeting at 1:34 p.m.

MOTION CARRIED UNANIMOUSLY

11. There was no business arising from in camera.



12. **Committee read a memorandum regarding whether to appoint members to serve on the Mayor's Task Force on Economic Development and amend the Terms of Reference.**

Committee noted that the Mayor's Task Force on Economic Development was created in May 2019 to provide input into the development of the City of Yellowknife Economic Development Strategy (2020-2024) (the "Strategy"). The purpose of the Task Force was also to provide ongoing advice in the implementation phase of the Strategy.

Input and feedback from the Mayor's Task Force has been a great asset to Administration since its inception.

On April 11, 2022, Council amended the Terms of Reference for the Mayor's Task Force on Economic Development to extend the term of the Committee to December 31, 2024.

Progress on actions outlined in the Economic Development Strategy (2019-2024) Implementation Plan was impacted by numerous events that took place throughout 2023. In recognition of the importance of having stakeholder input throughout implementation of the Strategy, Administration recommends that the Terms of Reference be amended to provide for continuation of the committee beyond December 31, 2024.

The Canadian Northern Economic Development Agency (CANNOR) has requested that Brenda McDonald replace Steven Siqueira as their representative on the Mayor's Task Force on Economic Development.

The GNWT, Department of Industry, Tourism and Investment (ITI) has requested that Melissa Cyr replace Tracy St. Denis as their representative on the Mayor's Task Force on Economic Development.

The Det'on Cho Corporation has requested that Mark Lewis replace John Henderson as their representative on the Mayor's Task Force on Economic Development.

It is the practice of the City of Yellowknife to advertise all vacancies for boards and committees. The City has advertised vacancies on the Mayor's Task Force on Economic Development in the Capital Update, the City's website and social media sites.

Committee noted that Council's policies, resolutions or goals include:

**Strategic Direction #1: People First**

Council Motion #0146-19

That Council:

1. Adopt the Terms of Reference for the Mayor's Task Force on Economic Development for the purpose of providing input in the development of the 2020-2024 Economic Development Strategy



- and providing ongoing advice in the implementation phase of the strategy.
2. Direct Administration to undertake the necessary steps to recruit members to the Committee.

Council Motion #0057

That Council amend the Terms of Reference for the Mayor's Task Force on Economic Development to extend the term of the Committee to December 31, 2024.

Committee noted that applicable legislation, by-laws, studies or plans include:

1. Council Procedures By-law No. 4975, as amended; and
2. *Cities, Towns and Villages Act*.

Legislation

Section 122 of Council Procedures By-law No. 4975, as amended, states:

Special Committees of Council

122. Where Council deems it necessary to establish a special committee to investigate and consider any matter, Council shall:
  - (1) name the committee;
  - (2) establish terms of reference;
  - (3) appoint members to it;
  - (4) establish the term of appointment of members;
  - (5) establish requirements for reporting to Council or a standing committee; and
  - (6) allocate any necessary budget or other resources to it.

Procedural Considerations

All appointments to Special Committees and Subcommittees must be approved by Council.

It is the practice of the City of Yellowknife to advertise all vacancies that arise on City Boards and Committees.

Committee noted that Yellowknife's economy is multi-faceted and collaboration between stakeholders is crucial for successful implementation of the City's Economic Development Strategy (2020-2024). Through the Mayor's Task Force on Economic Development, Council is able to receive input and advice from potential partners who share an interest in economic development in Yellowknife.

Appointment of members to the Committee will ensure that these tasks are undertaken in a timely manner.



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**Committee recommends that Council:**

1. **Appoint the following representatives to serve on the Mayor's Task Force on Economic Development for a two (2) year term commencing January 23, 2024 and ending January 22, 2026:**

<b>Name</b>	<b>Organization</b>
<b>Brenda McDonald</b>	<b>CANNOR</b>
<b>Melissa Cyr</b>	<b>GNWT Industry, Tourism and Investment</b>
<b>Mark Lewis</b>	<b>Det'on Cho Corporation</b>

2. **Amend the Terms of Reference for the Mayor's Task Force on Economic Development for the purpose of continuing the Committee and adding a clause to remove any member of the Committee for any good and sufficient cause.**

**MOVE APPROVAL**

13. The meeting adjourned at 1:36 p.m.